

CHAPTER IV

THE ECONOMIC DIFFICULTIES OF FRANCE IN TIME OF WAR

A CONSIDERATION of the economic convulsions which war would cause in France is not only very important in itself, but instructive in view of the fact that France has within recent times felt the whole burdens of a war. Judging by appearances, it might be supposed that a future war would have precisely those consequences which the war of 1870 produced. A detailed consideration of the results of the war of 1870, and of the degree of economic prosperity of France before and after that war, would show with what caution such a judgment must be received.

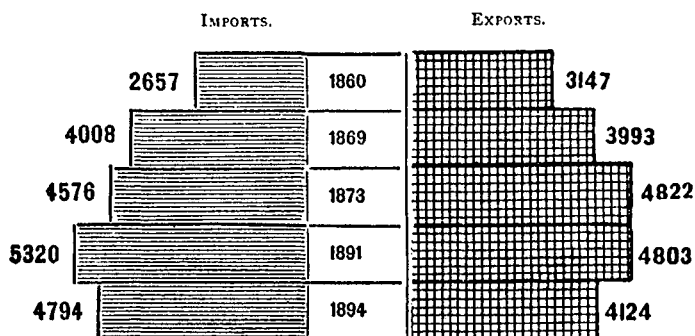
The change of rule in 1871 had a favourable influence on the economic life of the country. Although for a long time it was feared that the Germans would take advantage of the first pretext to declare war again and effectively restrain the military development of France, these fears in no way hindered the economic regeneration of the country. Disappearance of the dread of those political adventures so long carried on by Napoleon III. ; the general tendencies of the new government encouraging the spread of education and economic prosperity ; the keen struggles of political parties which prevented the unpunished violation of the law—all these in no small measure helped the development of France. The very loss of Alsace-Lorraine reacted favourably on her trade and industry. In those provinces industry was so highly developed that they furnished the rest of France with their products. With the foundation of the Republic began a great increase

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in other localities in the production of goods formerly obtained from Alsace and Lorraine.

In this time, also, when the prosperity of foreign and especially of trans-oceanic countries increased rapidly, there began an increased demand for French articles of luxury and fashion. The following diagram illustrates the position of French trade since 1860:

Imports and Exports of France in Millions of Francs.

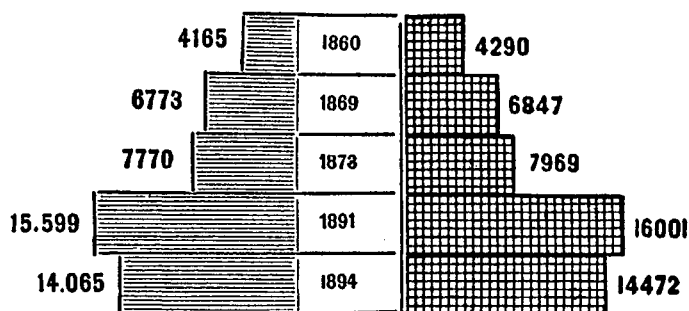


Thus statistics show us that the loss of Alsace-Lorraine had no considerable influence. The exports in the period 1869-73 increased at a greater rate than in the period 1860-69. From that time the increase of exports continued uninterruptedly to 1891, after which we find a decrease, caused by the protectionist policy of Europe. These fluctuations became still more noticeable if we take the average yearly increase of imports and exports in the period 1860-69 at 100, and show the corresponding figures for the following years:

	Absolute Figures of Increase or Decrease of Imports in Millions of Francs.			Absolute Figures of Increase or Decrease of Exports in Millions of Francs.		
In the period 1860-69	+ 150	+ 100	...	+ 94	+ 100	
" 1869-73	+ 142	+ 94.7	...	+ 207	+ 220.2	
" 1873-91	+ 41	+ 27.3	...	- 1	- 1.1	
" 1891-94	- 175	- 116.7	...	- 226	- 240.4	

If instead of values which change we take the quantity of imports and exports, we receive results indicated by the following diagram :

Trade of France in Thousands of Tons.



But these figures give no precise idea as to French trade. The following table is more detailed :

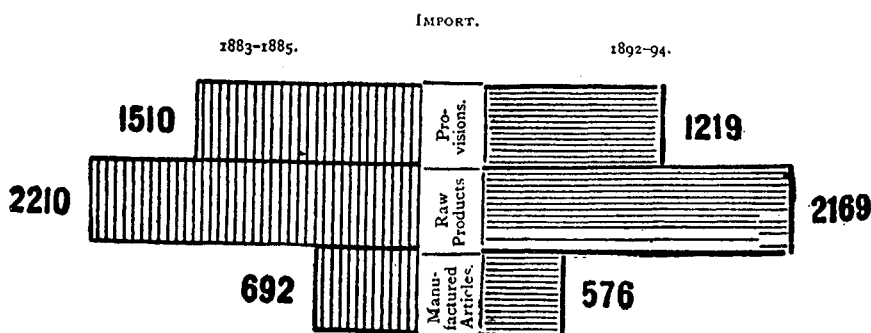
	Imports.			
	1863.	1869.	1873.	1894.
Cheese, butter, margarine (in thousands of tons)	7	14	15	20
Coal and coke " "	5388	7457	7461	10,266
Coffee " "	39	50	44	69
Cotton, raw " "	55	124	88	186
Cotton manufactures (in thousands of pounds sterling)	360	920	1880	1280
Flax " "	920	1760	2520	2440
Guano and manure (in thousands of tons)	82	118	137	181
Hides and fur " "	45	64	61	67
Cotton yarn (in thousands of pounds sterling)	280	480	840	720
Silk manufactures " "	180	1120	1200	1640
Woollen " " "	1320	2880	2360	1720

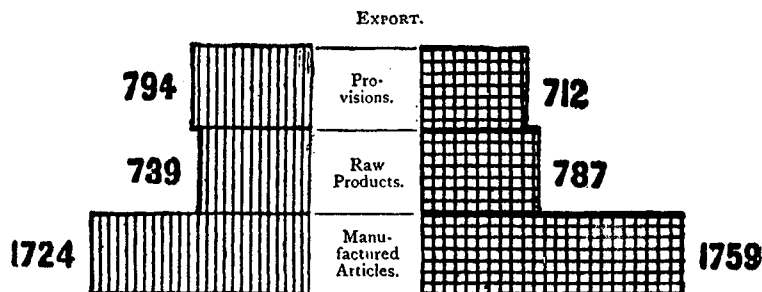
	Imports.			
	1863.	1869.	1873.	1894.
Meat (in thousands of tons)	8	6	23	24
Silk, raw " "	7	8	9	11
Sugar " "	236	201	154	166
Tallow, &c. " "	40	37	36	32
Wool " "	63	108	120	224

In comparing yearly statistics it is necessary to bear in mind that certain articles of import diminished owing to the development of industry within the country, and were partly replaced by other imports. Thus the diminished import of sugar is explained by the production of beet-sugar at home, which increased from 3833 million kilogrs. (3,833 000 tons) in 1873-74 to 5148 million kilogrs. (5,148,000 tons) in 1893-94.

The following two diagrams show the fluctuations in the external trade of France since 1883, in millions of francs :

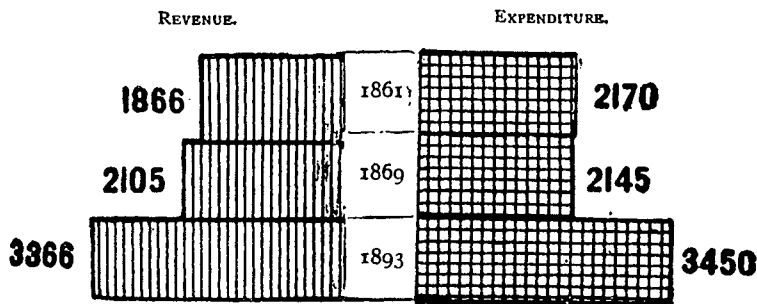
French Trade in Millions of Francs.





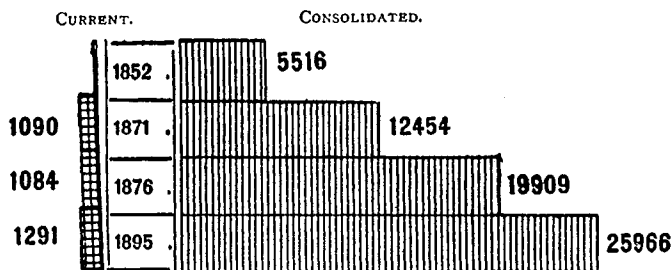
The revenue of France, which may be considered as a measure of the prosperity of the population, is shown in the following diagram :

Revenue and Expenditure of France in Millions of Francs.



A striking example of financial self-sufficiency is presented by France. The war, the Commune, the payment of five milliards (£200,000,000), the payment of the expenses of the war, the reorganisation of the army, the reform of the government in all its departments—all this required immense expenditure, yet France found all these resources within herself.

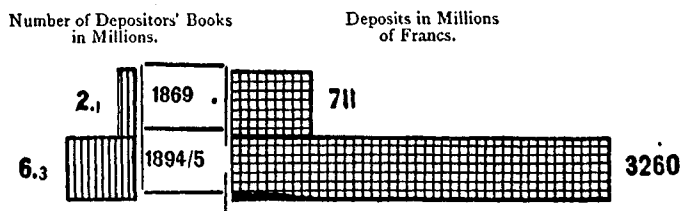
The debt of France has grown immensely, as is shown by the following diagram :

Debt of France in Millions of Francs.

Thus since 1871 the debt of France has grown by almost 14 milliards of francs (£560,000,000). All this sum was found within the country, and in addition, immense sums were invested in industrial undertakings and in foreign loans.

As a measure of the increase of wealth in France we may take the statistics of the savings banks. The number of depositors and the amount of deposits are shown in the following table and diagram :

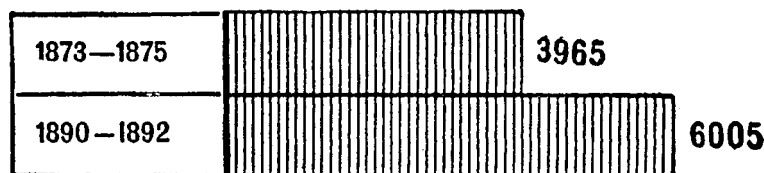
	Pass Books.		Deposits.
1869 .	2,130,000	...	711,000,000 fr. (£28,440,000)
1894-95 .	6,314,000	...	3,260,000,000 „ (£130,400,000)

Savings in France.

Consideration of other statistics confirms the general belief as to the increase of wealth in France. In France the transfer of estates is subjected to a duty. The following

diagram shows the value of estates passing by legacy and gift in France in millions of francs :

*Average value of Properties passing by Legacy and Gift in
Millions of Francs.*



From these brief statistics it may be concluded that France has borne the heavy losses caused by the war of 1870 much more easily than any other state could have done.

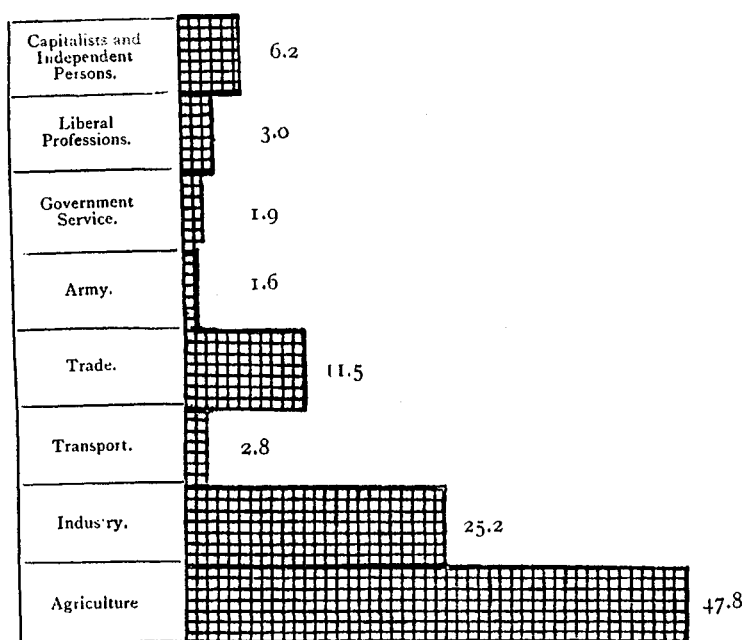
The economic consequences of war would be much more easily borne in France than in other countries if it were not for a whole series of unfavourable circumstances, thanks to which the image of war appears not less threatening for her than for every other country. The interruption of communications will be alone sufficient to strike a deadly blow to industry. The moment export and import by sea have ceased the price of the necessities of life will rise, the springs of income will be dried up, and many different industries will be unable to continue the production and sale of their goods. The theatre of war will become a closed market. In the country itself the demand for manufactured articles will decrease, not only owing to the fall in the income of the majority of the population, living from day to day, but also owing to the natural indisposition of the propertied classes to unnecessary expenditure in time of war. Factories, mines, and workshops, with the exception of those whose products are necessary for the equipment of armies, will be compelled to decrease their output. It must be remembered that in France a great number of foreigners are engaged

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in industry. The production of these in time of war would also cease. In certain industries the number of foreigners rises as high as 22 per cent. Another circumstance which must have a serious influence and cause great difficulties, is that a high percentage of the population will be summed under the colours.

The following diagram illustrates the distribution by occupations of the population of France in 1886:

Distribution of the French Population according to Occupation in 1886.



From this we see that nearly half the population of France is engaged in agriculture. The agricultural class of the population is divided into the following

classes: Large and small proprietors, farmers and hired labourers. Of 17,698,000 persons belonging to this class, the labourers number about 2,772,000 men. In a country where landed property is distributed among a large number of families, peasant proprietors constitute the chief part of the population, and wages are comparatively low everywhere excepting in those departments where large farming prevails. The struggle for existence in this class of the population is much less serious than it was twenty years ago in many departments. Although agricultural labourers suffer less than factory hands from uncertainty as to regular work, their life on the whole is more difficult owing to the fact that they, while knowing the extent of their earnings, are deprived of all hope of improving their position. The peasant proprietor, the corner-stone of France, is bad material for agitation, but the hired labourer is in a very different position. It must not be thought, however, that in the event of war no danger for the state would arise from the agricultural class. The fact is that the agricultural population is not in a position to feed itself out of the land. Investigations made in 1882 showed that out of 5,672,007 registered agricultural properties 2,167,667 were of an area of less than a hectare (two and a half acres), and 1,865,878 were of an area of one to five hectares (from two and a half to twelve and a half acres). A detailed examination of these statistics would considerably reduce the number of small properties; but it would still show that 1,700,000 persons of this class are little removed from the position of agricultural labourers.

Still the danger to the state from the agricultural population will be small. Of other classes of the population this cannot be said. In order to be convinced of this it is only necessary to consider the distribution of the incomes of the population.

I. PERSONAL EARNINGS.

	Millions of Francs.
3,434,938 agricultural labourers . .	2,000 (£80,000,000)
3,834,580 workers engaged in industry, trade, and transport .	3,600 (£144,000,000)
1,132,076 serving for wages . .	1,000 (£40,000,000)
1,950,208 domestic servants . .	1,400 (£56,000,000)
3,700,000 small landowners, artisans, traders, porters, soldiers, sailors, lower officials, teachers, and others, whose earnings little exceed the earnings of labourers	4,000 (£160,000,000)

II. CAPITALISTS.

1,683,192 landed proprietors from $3\frac{1}{2}$ to $4\frac{1}{2}$ milliards .	10,500 (£420,000,000)
1,009,914 manufacturers, merchants, and others, from $3\frac{1}{2}$ to $4\frac{1}{2}$ milliards . . .	
1,053,025 of private property, rentiers, and free professions, from $2\frac{1}{2}$ to 3 milliards . . .	
17,797,933	
Total . .	22,500 (£900,000,000)

These figures, of course, are only approximately correct, but they may serve as a basis for determining different influences on the economic condition of the people. We see that the whole $10\frac{1}{2}$ milliards (£420,000,000) when divided among 3,746,131 capitalists represents only 2800 francs (£112) the family. Leroy-Beaulieu supposes that in all France there are only 700 or 800 persons with incomes of 250,000 francs (£10,000) or over, and from 18,000 to 20,000 with incomes of from 50,000 to 250,000 (£2000 to £10,000).

From statistics relating to May 1886 in a population of 38.2 millions, the distribution by occupation was as follows :

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	Women.		Men.
Agriculture and woods . . .	2,138,236	...	4,777,729
Independent persons . . .	937,539	...	3,108,625
Persons with higher duties . .	42,428	...	55,407
Labourers	1,158,269	...	1,613,697
Hotels and restaurants . . .	164,964	...	325,318
Spinning and weaving . . .	376,602	...	414,695
Tailoring, &c.	433,650	...	130,999

In addition to these France has many important fields of labour for women. In trade and in the banks served :

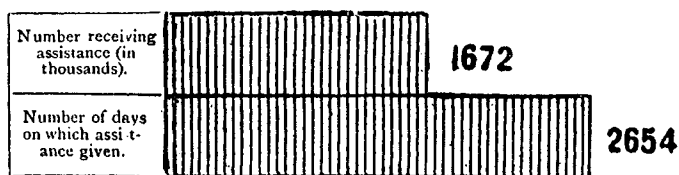
Women . . .	503,197	or	35.6 per cent.
Men . . .	909,058	,,	64.4 ,,

In case of the interruption of the general economic life of the people the agricultural class will feel the crisis less acutely than others. On every farm exists some reserve of food, while that part of the population whose earnings come from industry and trade, and a considerable proportion of those living in service, will be in a desperate position—all the more desperate since in France women, as is seen by the above statistics, live by their own earnings. Taking such an active part in national work, the French woman has an extraordinarily beneficent influence on her country. It would be very interesting to consider what direction the activity of French women would take in a critical moment of the war. But here it is impossible to enter into the question.

France is generally considered to be a rich country, but even if we suppose that only 5 per cent. of the population lives in poverty, it appears that 2,000,000 persons require in times of peace either state or private assistance. In time of war the number of the needy population would, of course, increase. Indeed, the proportion of unemployed will be greater in France than in other countries in consequence of the fact that the most important section of her products are articles of fashion and luxury, the sale of which would, of course, decrease. The number of unemployed in France even in normal times is considerable.

If we may believe the French Radicals the proportion out of work in France amounts to one-fifth, or at the very least to one-sixth of the population. In Paris things are even worse. In favourable times one-fifth of the working classes are without employment for three to four months, while in years of crisis 45 per cent. of the working classes are without employment—that is to say, 300,000 families are without the means of subsistence. In ordinary times these unemployed draw little attention upon themselves, but in time of war their number would undoubtedly grow, and all would consider they had a right to government assistance. The following diagram shows approximately the amount of assistance given to the poor in France in 1889 :

Assistance given to the Poor in France in 1889.



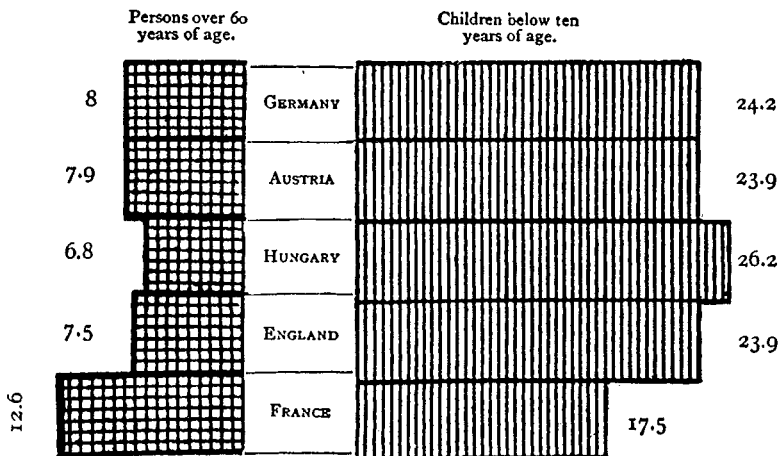
It is easy to foresee the consequences which must result from such a state of things in a country like France, where the socialistic movement bears unerring witness to the existence of general discontent with the existing order of things. If after the war of 1870 a Commune sprang up, what must we expect now when Socialism has raised its head and created a permanent organisation, while before the war the government of Napoleon III. crushed every attempt at socialist propaganda.

For another peculiar reason war would be more disastrous for France than for any other country. We have seen how rich is France in capital, how industrious and how economical is her people. But all these factors would not be so remarkable if it were not for a special circum-

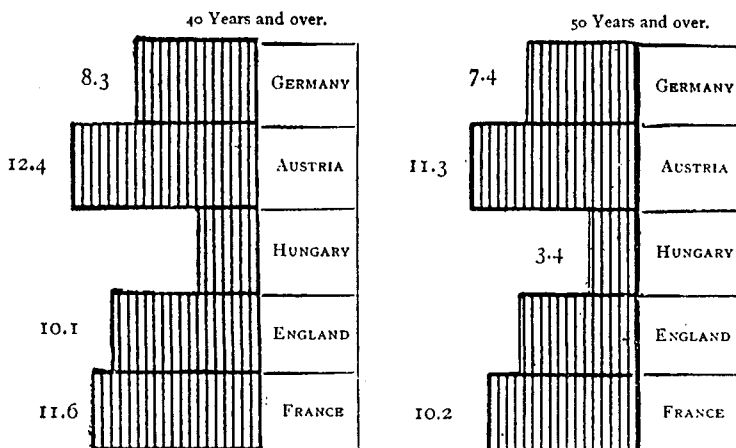
stance which, while being itself of a negative character, has an immense influence on the growth of wealth.

As is well known, the birth-rate in France is considerably lower than in other states, while the death-rate is almost the same, so that the growth of the population is quite insignificant. There have even been years when the growth not only ceased, but a loss actually occurred. The following diagram shows the proportion of old men and children in percentage relation in the population in some of the chief European states.

Number of Old Men and Children in Percentage Relation to Population.



Thus in France the proportion of children under the age of ten years is only $17\frac{1}{2}$ per cent. of the population, while in other countries it rises as high as 24 per cent. and 26 per cent. Persons of 60 years and over in France constitute 12.6 per cent., and in other countries 7-8 per cent. The relation of married and unmarried persons in France is also less favourable than in other countries, as is shown by the following sketches :

Number of Bachelors in Percentage Relation to Population.

The diagram opposite shows the unfortunate position of France in all its blackness.

From this we see that in France the birth-rate is approximately equal to the death-rate, while in Germany the birth-rate exceeds the death-rate by 12 in every thousand. The diagram relates only to the last ten years. But the same phenomenon may be seen during the whole of the present century.

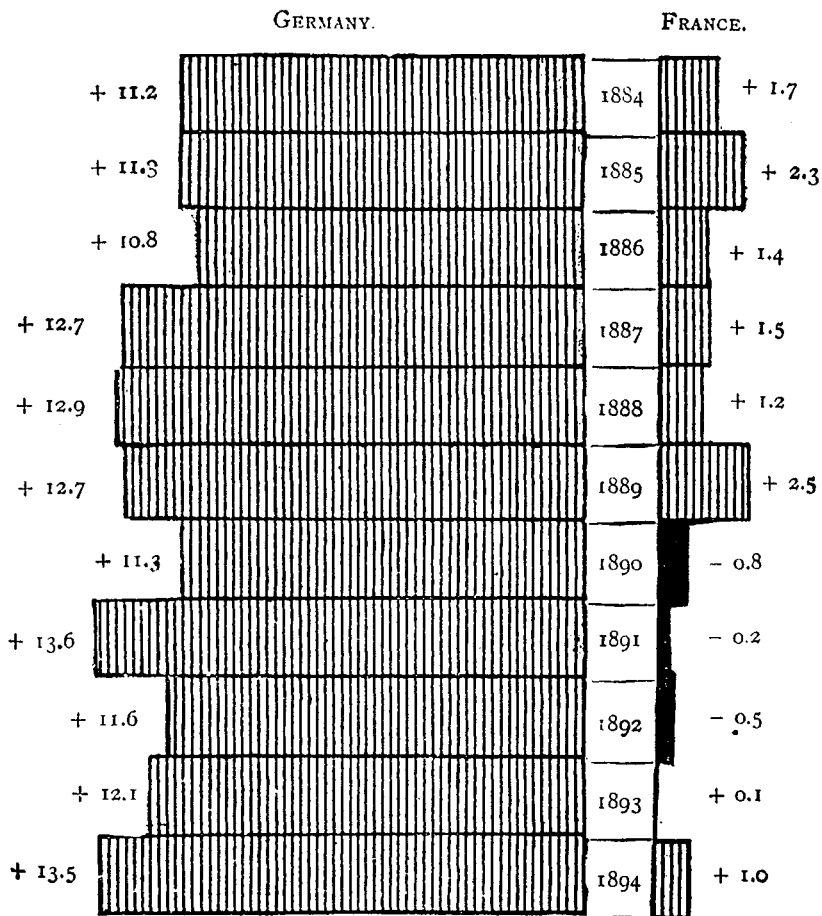
From the diagram on p. 292 it will be seen that 100 years ago the strength of Germany was 40 per cent. lower than that of France, while at the present day France is weaker than Germany by 20 per cent. From these statistics we must conclude that France will become weaker in comparison with other countries where the growth of the population is more normal. The artificial measures proposed for the increase of the birth-rate cannot be of much avail. Projects may be drawn up to increase the birth-rate, but to carry them out is shown to be impossible.

The decrease in the birth-rate has yet this inconvenience, that more care is taken of children, the death-rate among

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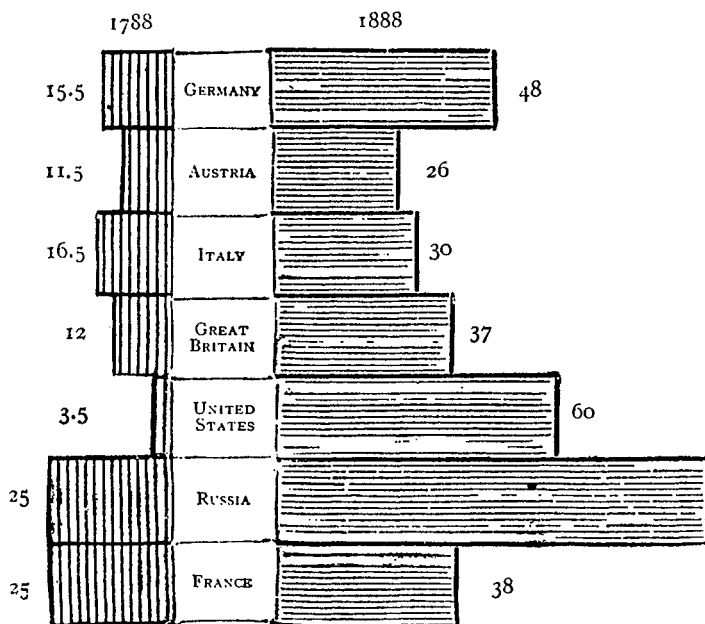
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*Increase or Decrease of the Population in France and Germany
per Thousand.*



them is smaller, and the natural process of the elimination of weak organisms is stopped, from which the general physique of the people is bound to suffer. In France even at the present time the race is weaker than in England, Germany, or Russia.

Number of Population in 1788 and 1888 in Millions.

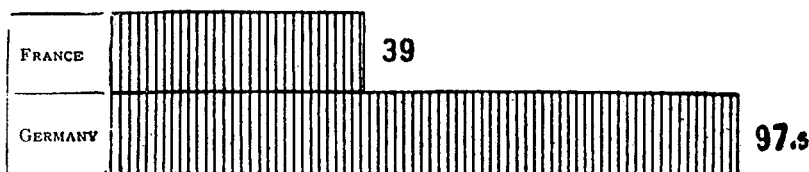


This unfortunate position of affairs has, however, although only temporarily, good sides, since with an inconsiderable growth of the population France has more room and a less serious struggle for the development of productive forces. In addition, the people spend less money on education and save all the more; capital is not split up as it is in more populous states, and in consequence material prosperity increases. But these considerations

do not alter the fact that every year the strength of France grows less and less in comparison with that of other states. But for the masses living to-day the future is hidden in the splendours of a temporary prosperity.

If we take the value of each inhabitant at 3000 francs (£120) and make an estimate of such wealth accumulated by France and Germany in the past century, we will get some interesting results, as shown on the following diagram :

Value of Growth of Population from 1788 to 1888 in Millions of Francs.



In the event of a war under modern conditions the losses, as we have already pointed out, would be immense for all states engaged. But France, above all, must avoid loss of men in consequence of her present position, as losses would be relatively greater for her than for other states. War could in no possible way change the position of France for the better. With the loss of the flower of her youth would follow not merely the "national danger" but absolute ruin.

France with so many milliards invested in foreign countries, and with the greater part of her savings invested in her own debt, is a country which, while admitting no offence against her honour or her interests, must at the same time aspire to peace, as in peace alone, and not in war with all its disasters and misfortunes, will she find the best path for a national genius to which all humanity is indebted.